

STATE OF HAWAII—DEPARTMENT OF TAXATION
INFORMATION STATEMENT
CONCERNING CREDIT FOR ENERGY CONSERVATION

TAXABLE
YEAR
19____

(TO BE CLAIMED BY INDIVIDUAL OR CORPORATE MEMBERS OF PARTNERSHIPS OR CONDOMINIUM APARTMENT ASSOCIATIONS, BENEFICIARIES OF ESTATES OR TRUSTS, OR SHAREHOLDERS OF S CORPORATIONS)

Or fiscal year beginning _____, 19____, and ending _____, 19____.

ATTACH THIS STATEMENT TO FORM N-157 OR FORM N-306, WHICHEVER IS APPLICABLE

Name (Partnership, Condominium Apartment Association, Estate, Trust, or S Corporation)	<input type="checkbox"/> Partnership
Number and Street	<input type="checkbox"/> Condominium Apartment Association
City or Town, State and Zip Code	<input type="checkbox"/> Estate or Trust
	<input type="checkbox"/> S Corporation
Information Statement for: Name (Individual or Corporation)	Hawaii G.E./Use Identification Number
	Social Security Number or Fed. Employer I.D. Number

INSTRUCTIONS: Every Hawaii partnership, condominium apartment association, estate, trust, or S corporation is required to prepare this statement for each individual or corporate member, beneficiary, or shareholder, respectively, in order that the prorated amount of such entity's tax credit may be claimed by the individual or corporate taxpayer. **A copy of this form as issued to each member shall be also attached to the return of the partnership, condominium apartment association, estate, trust or S corporation.**

COMPUTATION OF TAX CREDIT — Enter date installed and placed in service ➤ _____ / ____ / ____

WIND ENERGY SYSTEM

- Cost of qualified wind energy system installed and placed in service\$ _____
- Multiply line 1 by 20% and enter result.....\$ _____

SOLAR ENERGY SYSTEM

- Cost of qualified solar energy system installed and placed in service on new and existing single family residential buildings\$ _____
- Enter 35% of line 3 or \$1,750, whichever is less.....\$ _____
- Per unit cost of qualified solar energy system installed and placed in service on new and existing multi-unit residential buildings\$ _____
- Enter 35% of line 5 or \$350, whichever is less.....\$ _____
- Number of building units owned by the entity to which the allocated unit cost on line 5 is applicable _____
- Multiply line 6 by line 7 and enter result\$ _____
- Cost of qualified solar energy system installed and placed in service on new and existing hotel, commercial and industrial facilities\$ _____
- Multiply line 9 by 35% and enter result.....\$ _____

HEAT PUMPS

- Cost of qualified heat pumps installed and placed in service in new and existing single family residential buildings\$ _____
- Enter 20% of line 11 or \$400, whichever is less.....\$ _____
- Per unit cost of qualified heat pumps installed and placed in service in new and existing multi-unit residential buildings.....\$ _____
- Enter 20% of line 13 or \$200, whichever is less.....\$ _____
- Number of building units owned by the entity to which the allocated unit cost on line 13 is applicable _____
- Multiply line 14 by line 15 and enter result\$ _____
- Cost of qualified heat pumps installed and placed in service in new and existing hotel, commercial and industrial facilities.....\$ _____
- Multiply line 17 by 20% and enter result.....\$ _____

ICE STORAGE SYSTEMS

- Cost of qualified ice storage system installed and placed in service.....\$ _____
- Multiply line 19 by 50% and enter result here.\$ _____

TOTAL CREDIT FOR ENERGY CONSERVATION

- Total tax credit claimed. Enter the total of lines 2, 4, 8, 10, 12, 16, 18, and 20 here\$ _____

DISTRIBUTION OF TAX CREDIT

- Distributive share of tax credit. (Each partner, member, beneficiary, or shareholder shall enter this amount on Form N-157, line 21 or Form N-306, line 21, whichever is applicable. See *Specific Instructions* on reverse side.).....\$ _____

(See reverse side for instructions)

INSTRUCTION
FORM N-157A
(REV. 1993)

STATE OF HAWAII — DEPARTMENT OF TAXATION
Instructions for Form N-157A
INFORMATION STATEMENT
CONCERNING CREDIT FOR ENERGY CONSERVATION

GENERAL INSTRUCTIONS

REQUIREMENTS FOR CLAIMING TAX CREDIT

Each resident taxpayer who files an income tax return for a taxable year may claim a tax credit against the taxpayer's income tax liability for a solar or wind energy system, heat pump, or ice storage system installed and placed into service during the taxable year by filing Form N-157. The credit shall be applicable only to the **actual cost** of the system, including its accessories and installation, and shall not include the cost of consumer incentive premiums unrelated to the operation of the system or offered with the sale of the system (such as "free gifts," offers to pay electricity bills, or rebates, including rebates from utility companies).

A licensed professional engineer must review the design of the solar energy system or heat pump installed in multi-unit buildings and provide a written opinion that the system, in accordance with recognized engineering practice, is designed to provide not less than 80% of the daily annual average hot water needs of all the occupants of the building.

The tax credit may be claimed, as shown in the table below, for energy conservation systems installed and placed service after 12/31/90, but before 1/1/99.

In the event that tax credits claimed exceed the amount of the income tax payments due, the excess of credits may be carried over to subsequent years until exhausted.

Individual members of partnerships or condominium apartment associations, beneficiaries of estates and trusts, or shareholders of S corporations are also required to attach to this statement to Form N-157.

FOR PURPOSES OF THE TAX CREDIT

"Solar or wind energy system" means any new identifiable facility, equipment, apparatus, or the like that converts solar insolation or wind energy to useful thermal or electrical energy for heating, cooling, or reducing the use of other types of energy dependent upon fossil fuel for their generation.

"Heat pump" means and refers to an electric powered compression heating system which extracts energy from warm ambient air or recovers waste heat to assist in the production of hot water.

"Ice storage system" refers to ice banks or other cool energy storage tanks, containers, accessories, and controls that are specially designed to store ice or chilled fluids for the express purpose of shifting the consumption of

energy to off-peak periods.

"Single family residential building" means a structure maintained and used as a home, residence, or sleeping place by one or more persons maintaining a common household. A dwelling unit that shares one or more walls with another dwelling unit shall be deemed a single family residential building if it has direct access to a street or thoroughfare and does not share hot water equipment or any other essential facility or service with any other dwelling unit.

"Multi-unit residential building" means a structure containing more than one dwelling unit, each of which is intended to be maintained and used as a home, residence, or sleeping place by persons maintaining separate households.

The director may require the taxpayer to furnish reasonable information to ascertain the validity of the claim for credit made and may adopt rules necessary to effectuate the purposes of claiming this credit pursuant to chapter 91, Hawaii Revised Statutes.

The tax credit shall be claimed against the taxpayer's net income tax liability for the year in which the solar or wind energy system, heat pump, or ice storage system was purchased and placed in use in Hawaii. Tax credits which exceed the taxpayer's income tax liability may be used as credit against the taxpayer's income tax liability in subsequent years until exhausted.

SPECIFIC INSTRUCTIONS

Above Line 1 — Enter the date the system or heat pump was purchased and placed in service.

Lines 1 through 18 — Fill in the lines as they apply to your claim.

Lines 5 and 13 — The per unit cost of a solar energy system or heat pump installed and placed in service in a multi-unit residential building is determined as follows:

<u>Total square feet of each unit</u>	×	The actual cost
Total square feet of all units		of the system
in the multi-unit building		or heat pump.

Line 20 — Distribution of the tax credit:

Each partner, member, beneficiary, or shareholder shall enter this amount on Form N-157, line 21 or Form N-306, line 21, whichever is applicable; and attach this statement to Form N-157 or Form N-306.

NOTE: A copy of Form N-157A as issued to each member shall be attached to the return of the partnership, condominium apartment association, estate, trust, or corporation.

Type of Energy Conservation System	Tax Credit Rate
1. Wind energy systems	20% of the actual cost of the system.
2. Solar energy systems	
a. New and existing single family residential buildings.	The lesser of 35% of the actual cost of the system or \$1,750.
b. New and existing multi-unit buildings used primarily for residential purposes	Per building unit: The lesser of 35% of each unit's actual cost of the system or \$350.
c. New and existing hotel, commercial and industrial facilities.	35% of the actual cost of the system.
3. Heat pumps	
a. New and existing single family residential buildings.	The lesser of 20% of the actual cost of the heat pump or \$400.
b. New and existing multi-unit buildings used primarily for residential purposes.	Per building unit: The lesser of 20% of each unit's actual cost of the heat pump or \$200.
c. New and existing hotel, commercial and industrial facilities.	20% of the actual cost of the heat pump.
4. Ice Storage Systems	50% of the actual cost of the system.